



July 21, 2003

California Energy Commission (via E-Mail docket@energy.state.ca.us)
1516 9th Street, MS-4
Sacramento, CA 95814

Re: Docket No. 03-CRS-01 – Comments on Committee Workshop

In accordance with the instructions at the July 16 Renewables Committee workshop on CRS Exemptions, Energy Users Forum (EUF) submits these brief comments. EUF requests that the CEC make some minor, but important, modifications to the proposal presented at the workshop.

Immediate Queuing

There are entities that have generation that is scheduled to come on line before final rules will be adopted in this proceeding. It is critical that the CEC allow entities to enter the queue while the rules are still being determined. These spots in the queue can be made subject to final acceptance after the rules are determined and the requests are compared to the requirements, but parties need to know whether or not there are exemptions available for them before they can make the decision to start-up when ready or delay start-up until after the rules are developed.

Definition of Customer Generation

During the workshop, the Energy Producers and Users Coalition (EPUC) made a number of good points. They noted that the definition of Customer Generation should match the definition in the Departing Load CPUC Decision.

Determination of Exemption Amounts

EPUC also stated the CEC needs to clarify how they will measure Departing Load versus installed capacity to determine how many exemptions have been granted.

Project Characteristic Changes

The rules need more clarification regarding project changes that occur between submission of the initial application and facility commissioning. For instance, an entity might request a 4 MW exemption. However, when they receive bids for the generator, the winning configuration might be 4.2 MW. This should not impact the application and if .2 MWs are still available under the exemption cap and the

additional power will be used for Departing Load, the entity should be granted an additional .2 MWs of exemption. However, a change from 4 MW to 15 MWs, might need different treatment. Absent clarification, we are afraid that the utilities will deny exemption eligibility if changes are made.

Progress Milestones versus a Firm Deadline

It is impractical to put a firm deadline on the time from application to operation. Twelve months is too short for some projects. Instead it should be based on meeting a reasonable progress schedule (unless delayed by items beyond the entity's control).

Exemption Qualification Timing

Entities need to know if they will qualify for exemptions early in the development process. Many will need to know if they qualify and that room has been reserved for them under the cap before they can get their management to authorize significant expenditures or effort. Rules for entering the queue need to be not unduly burdensome and projects should be retained in the queue so long as reasonable progress is made toward implementation (to prevent "deadwood" from clogging up the queue.)

Thank you for consideration of our input.

Respectfully submitted,

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On Behalf of Energy Users Forum